

## Message Text

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PAGE 01 ATHENS 05949 131431Z  
ACTION XMB-04

INFO OCT-01 EUR-12 EA-10 ISO-00 EB-08 OMB-01 COME-00  
TRSE-00 ACDA-12 HA-05 AID-05 L-03 CAB-02 CIAE-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 /073 W  
-----128587 131437Z /43

P R 131356Z JUL 78  
FM AMEMBASSY ATHENS  
TO SECSTATE WASHDC PRIORITY 6728  
INFO AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY TOKYO  
AMEMBASSY BRUSSELS  
AMEMBASSY ROME

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DEPARTMENT PLEASE PASS EXIMBANK

USEEC; PARIS ALSO FOR USOECD; ROME FOR RCAA

E.O. 11652: N/A  
TAGS: EFIN, GR  
SUBJECT: CREDIT: OLYMPIC AIRLINE PURCHASE OF A300B JETS

1. EMBASSY HAS DEVELOPED FOLLOWING SUPPLEMENTAL INFORMATION ON  
SUBJECT PROJECT.

2. AIRBUS INDUSTRIE (A.I.) IS COMMITTED TO FINANCE 90 PERCENT  
OF VALUE OF AIRCRAFT, EQUIPMENT AND SPARES THROUGH A SUPPLIERS'  
CREDIT. OLYMPIC HAS A PURCHASE AGREEMENT WITH G.E. FOR THE  
ENGINES, BUT THEIR FINANCING IS STILL OPEN. A.I. SUPPLIERS'  
CREDIT COMMITMENT PROVIDES THAT 45 PERCENT OF THE TOTAL VALUE  
WILL BE LOANED IN FRENCH FRANCS AT FIXED INTEREST RATE OF  
8.25 PERCENT; THE OTHER 45 PERCENT IN U.S. DOLLARS AT 9 PERCENT;  
BOTH PAYABLE IN TEN YEARS AND BOTH TO BE GUARANTEED BY THE CENTRAL  
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BANK (AND COUNTER-GUARANTEED BY THE GREEK STATE) OR THE GREEK  
STATE.

3. OLYMPIC, WHICH IS SEARCHING FOR THE BEST POSSIBLE TERMS, IS  
STILL CONSIDERING THIS OFFER BUT IS ALSO REVIEWING SEVERAL  
OTHER FINANCING PROPOSALS. ONE IS A LEASING PROPOSAL FROM THE  
U.S. BROKERAGE FIRM OPPENHEIMER, WHICH HAS OFFERED A FIVE-

YEAR LEASE AT 9 PERCENT PER ANNUM, THE PLANES TO BE PURCHASED THEREAFTER AT FAIR-MARKET VALUE. OLYMPIC WOULD BENEFIT FROM GREEK TAX AND DEPRECIATION REGULATIONS WHICH WOULD REDUCE ITS COST OF FUNDS TO 7 PERCENT PER ANNUM.

4. THE JAPANESE OFFER OF 15-YEAR LEASE OF A-300B AIRCRAFT AT 8 PERCENT, CITED IN REF A, IS ANOTHER POTENTIAL PROPOSAL. EMBASSY UNDERSTANDS THAT DESPITE VERY FAVORABLE TERMS, OLYMPIC IS RELUCTANT TO ACCEPT THIS OFFER BECAUSE OF SOME DIFFICULTIES IN PAST DEALINGS WITH THE JAPANESE.

5. REGARDING RUMOR (REF A) OF OFFSET WORK OF H.A.I., WE HAVE NO ADDITIONAL INFORMATION, BUT WILL TRY TO DEVELOP MORE DETAILS.

6. FOLLOWING A RECENT MEETING OF OLYMPIC AIRWAYS BOARD UNDER THE CHAIRMANSHIP OF COMMUNICATIONS MINISTER ALEXANDROS PAPADONGONAS, A JULY 10 PRESS RELEASE ANNOUNCED THAT AIRBUS INDUSTRIE HAS AGREED TO INCREASE THE CAPACITY OF THE AIRBUS ENGINES AND IMPROVE THE ENGINE COMPUTER SYSTEM, WHICH WOULD ENHANCE EFFICIENCY, AT NO COST TO OLYMPIC. AIRBUS INDUSTRIE WOULD BEAR THE COST OF IMPROVEMENTS AMOUNTING TO \$600,000. WE HAVE NO FURTHER DETAILS ON THIS.

7. AS WE UNDERSTAND OLYMPIC IS STILL CONSIDERING PURCHASING A THIRD B-747, WE HAVE ASSURED THE GREEK AIRLINE THAT EXIMBANK IS WILLING TO BE AS HELPFUL AS POSSIBLE IN PROMOTING THIS LIMITED OFFICIAL USE

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TRANSACTION.  
MILLS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, AIRCRAFT, SPARE PARTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ATHENS05949  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780287-0318  
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**Message ID:** e8c57e76-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2027551  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CREDIT: OLYMPIC AIRLINE PURCHASE OF A300B JETS  
**TAGS:** EFIN, GR  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014